



Before the Appellate Board
National Electric Power Regulatory Authority
(NEPRA)
Islamic Republic of Pakistan

NEPRA Office , Ataturk Avenue (East), G5/1, Islamabad

Tel. No.+92 051 2013200 Fax No. +92 051 2600030

Website: www.nepra.org.pk E-mail: ikramshakeel@nepra.org.pk

No. NEPRA/Appeal/085/2024/ 352

April 11, 2025

1. Muhammad Haroon,
S/o. Muhammad Idrees,
R/o. House No. 380, D-Street,
Harasian, Inside Lohari Gate,
Lahore
2. Chief Executive Officer,
LESCO Ltd,
22-A, Queens Road,
Lahore
3. Saeed Ahmed Bhatti,
Advocate High Court,
66-Khyber Block, Allama Iqbal Town,
Lahore
Cell No. 0300-4350899
0333-4350899
4. Assistant Manager (Operation),
LESCO Ltd,
Sheranwala Gate Sub Division,
Lahore
5. POI/Electric Inspector
Lahore Region-I, Energy Department,
Govt. of Punjab, Block No. 1,
Irrigation Complex, Canal Bank,
Dharampura, Lahore

Subject: **Appeal No.085/2024 (LESCO Vs. Muhammad Haroon) Against the Decision Dated 06.02.2024 of the Provincial Office of Inspection to Government of the Punjab Lahore Region-I, Lahore**

Please find enclosed herewith the decision of the Appellate Board dated 11.04.2025 (06 pages), regarding the subject matter, for information and necessary action, accordingly.

Encl: **As Above**

(Ikram Shakeel)
Deputy Director
Appellate Board

Forwarded for information please.

1. Director (IT) –for uploading the decision of the Appellate Board on the NEPRA website



National Electric Power Regulatory Authority

Before The Appellate Board

In the matter of

Appeal Nos.085/POI-2024

Lahore Electric Supply Company Limited

.....Appellant

Versus

Muhammad Haroon S/o. Muhammad Idrees,

R/o. House No.380, D-Street, Harasian, Inside Lohari Gate, Lahore.....Respondent

APPEAL U/S 38(3) OF REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997

For the Appellant:

Mr. Saeed Ahmed Bhatti Advocate

For the Respondent:

Nemo

DECISION

1. Through this decision, the appeal filed by Lahore Electric Supply Company Limited (hereinafter referred to as the "Appellant") against the decision dated 06.02.2024 of the Provincial Office of Inspection, Lahore Region-I, Lahore (hereinafter referred to as the "POI") is being disposed of.
2. Briefly speaking, Muhammad Haroon (hereinafter referred to as the "Respondent") is an industrial consumer of the Appellant bearing Ref No.46-11143-1462200-U with a sanctioned load of 04 kW and the applicable Tariff category is B-1. Reportedly, the billing meter of the Respondent became defective hence it was replaced with a new meter by the Appellant in February 2021. Resultantly, a detection bill of Rs.513,196/- against 21,212 units for six (06) months for the period from August 2020 to January 2021 was debited to the Respondent based on consumption of August 2021 and added to the bill for September 2021.

Appeal No.085/POI-2024

Page 1 of 6

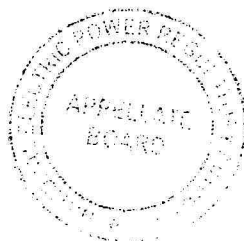


Ms.



National Electric Power Regulatory Authority

3. Being aggrieved, the Respondent initially challenged the above detection bill before the Civil Court Lahore in October 2021. Subsequently, the removed meter of the Respondent was checked by the Metering & Testing ("M&T") team of the Appellant on 23.08.2022 wherein the impugned meter showed Opened status. Honorable Civil Court vide order dated 23.11.2022 directed the Respondent to approach the POI. Accordingly, the Respondent filed a complaint before the POI on 06.12.2022 and assailed the above detection bill. The complaint of the Respondent was disposed of by the POI vide the decision dated 06.02.2024, wherein the detection bill of Rs.513,196/- was cancelled. As per the POI decision, the Respondent was directed to charge the revised bill @ 2,341 units per month for the period from August 2020 to January 2021 after excluding the already charged 1,000 units of December 2020.
4. The Appellant filed instant appeal before the NEPRA against the afore-referred decision of the POI, which was registered as Appeal No.085/POI-2024. In its appeal, the Appellant objected to the maintainability of the impugned decision, *inter alia*, on the main grounds that the impugned decision is against the facts and law of the case; that the impugned meter was replaced in February 2021 and subsequently checked by the M&T team on 23.08.2022, wherein the display was found vanished; that the detection bill of Rs.513,196/- was charged to the Respondent, which was cancelled by the POI; that the said forum neither recorded the evidence nor perused the consumption data in true perspective and decided the petition on mere surmises and conjectures without any justification and cogent reasons; that the POI decided the matter after expiry of 90 days, which is violative of Section 26(6) of the Electricity Act, 1910; that the POI failed to appreciate that the complaint could not be entertained as no notice as required under Section 26(6) of the Electricity Act, 1910 was ever served upon the Appellant before filing the same; and that the impugned decision is liable to be set aside.
5. Upon the filing of the instant appeal, a notice dated 03.09.2024 was sent to the Respondent for filing reply/para-wise comments to the appeal within ten (10) days, which however were not filed.
6. A hearing was conducted at NEPRA Regional Office Lahore on 10.01.2025, which was attended by a counsel for the Appellant, whereas no one tendered appearance for the



A-60



National Electric Power Regulatory Authority

Respondent. Learned counsel for the Appellant contended that the display of the impugned billing meter of the Respondent was found defective, therefore it was replaced with a new meter in February 2021 and sent for data retrieval. Learned counsel for the Appellant further contended that a detection bill amounting to Rs.513,196/- against 21,212 units for the period from August 2020 to January 2021 was debited to the Respondent in September 2021 to recover the revenue loss sustained by the Appellant. As per learned counsel for the Appellant, the above detection bill was cancelled by the POI without perusing the documentary evidence. Learned counsel for the Appellant finally prayed that the impugned decision is liable to be set aside.

7. Arguments were heard and the record was perused. Following are our observations:

7.1 Objection regarding the time limit for POI to decide the complaint:

As per the record, the Respondent filed his complaint before the POI on 06.12.2022 under Section 38 of the NEPRA Act. POI pronounced its decision on 06.02.2024 i.e. after 90 days of receipt of the complaint. The Appellant has objected that the POI was bound to decide the matter within 90 days under Section 26(6) of the NEPRA Act, 1910. In this regard, it is observed that the forum of POI has been established under Section 38 of the NEPRA Act which does not put a restriction of 90 days on POI to decide complaints. Section 38 of the NEPRA Act overrides provisions of the Electricity Act, of 1910. Reliance in this regard is placed on the judgments of the honorable Lahore High Court reported in *PLJ 2017-Lahore-627* and *PLJ-2017-Lahore-309*. The relevant excerpt of the above judgments is reproduced below:

"PLJ 2017-Lahore-627:

Regulation of Generation Transmission and Distribution of Electric Power Act, 1997-

-838(3)--Electricity Act, 1910, S. 26(6)--Constitution of Pakistan, 1973. Art. 199--Constitutional petition--Consumer of LESCO.. The sanctioned load was differed with the connected load--Determine the difference of charges of the previous period of misuse to be recovered from the consumer--Validity--No disconnection or penal action was taken against the petitioner rather only the difference of charges between the sanctioned load and load actually used by petitioner was charged, hence Clause 7.5 of Consumer Service Manual has not been violated-Issuance of detection bill itself amounts to notice and petitioner had also availed remedy before POI against determination--Order passed by POI was beyond 90 days--Order was not passed by the respondent under Section 26(6) of the Act as Electric Inspector rather the order was passed by him in the capacity of POI under Section 38(3) of Regulation of



14/2



National Electric Power Regulatory Authority

Generation, Transmission and Distribution of Electric Power Act, 1997 (NEPRA Act), therefore, the argument has no substance.

PLJ-2017-Lahore-309:

The learned counsel for the petitioner submitted that there was an outer time limit of 90 days for a decision by the Electric Inspector which has not been observed and which rendered the decision of the Electric Inspector a nullity. This submission of the learned counsel has been dealt with by the Appellate Board and in any case, is fallacious- The short and simple answer rendered by the Appellate Board was that the decision was made under Section 38 of the Act, 1997 and not in terms of Section 26 of the Electricity Act, 1910. Therefore, the outer time limit of 90 days was inapplicable.”

Keeping in view the overriding effect of the NEPRA Act on the Electricity Act, 1910, and the above-referred decisions of the honorable High Court, the objection of the Appellant is dismissed.

7.2 Objection regarding prior notice before filing the complaint before the POI:

As regards another objection of the Appellant for not issuing notice as per the Electricity Act, 1910 by the Respondent before filing a complaint to the POI, it is elucidated that the matter was adjudicated by the POI under Section 38 of the NEPRA Act, 1997 and as per procedure laid down in Punjab (Establishment and Powers of Office of Inspection) Order, 2005, which do not require for service of any notice before approaching the POI. The above objection of the Appellant is not valid and, therefore overruled.

7.3 Detection bill of Rs.513,196/- against 21,212 units for six (06) months for the period from August 2020 to January 2021:

In the instant case, the Appellant claimed that the impugned meter was replaced with a new meter in February 2021, and during subsequent M&T checking dated 23.08.2022, the display of the impugned meter of the Respondent was found vanished. Therefore, the Appellant debited a detection bill of Rs.513,196/- against 21,212 units for six (06) months for the period from August 2020 to January 2021 to the Respondent in September 2021, which was challenged by him before the POI.

7.4 It is observed that the Appellant charged the above detection bill @ 3,702 units per month for the disputed period as recorded in August 2021. The Appellant was required to replace the impugned meter within two billing cycles in case of defectiveness, however, the Appellant failed to do so. It is further observed that the M&T vide report dated 23.08.2022 declared the impugned meter as defective due to vanished display after the lapse of eighteen

AK-
Q



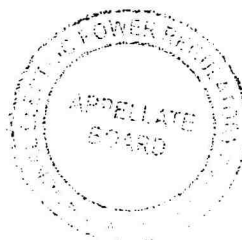
months of its replacement, which violates Clause 4.3.2 of the CSM-2021. Said clause of the CSM-2021 empowers the Appellant to retrieve the data within three months of the replacement of the defective meter with the vanished display. Even otherwise, the discrepancy of the vanished display can be seen with bare eyes by the meter readers during monthly readings.

7.5 To further verify the contention of the Appellant regarding the above detection bill, consumption data is reproduced below:

Year	2019	2020	2021
Month	Units	Units	Units
January	2374	2418	0
February	2686	2218	513
March	2360	826	2073
April	1175	995	1908
May	6090	1770	1503
June	2023	3370	2034
July	2611	2000	782
August	3139	0	3702
September	3525	0	2497
October	0	0	2786
November	3258	0	2384
December	2039	1000	3570

It is revealed that the average consumption charged during the disputed months is much less than the normal average consumption of corresponding months of the preceding and succeeding years. This indicates that the actual consumption could not be charged during the disputed period due to a defective meter. However, this does not tantamount to the Appellant to debit the detection bill on the pick and choose method, which is a clear violation of Clause 4.3.1(b) of CSM-2021. Said Clause of the CSM-2021 empowers the Appellant to debit the bills on the DEF-EST code in case of defectiveness of the impugned meter. Therefore, we are inclined to agree with the determination of the POI for the cancellation of the detection bill of Rs.513,196/- against 21,212 units for six (06) months for the period from August 2020 to January 2021.

7.6 Similarly, the determination of the POI for revision of the detection bill @ 2,341 units per month for the disputed period on the basis of the average consumption of the last eleven months is inconsistent with Clause 4.3.1(b) of the CSM-2021 and the same is liable to be



Handwritten signature/initials.



National Electric Power Regulatory Authority

withdrawn to this extent.

- 7.7 According to the ibid clause of the CSM-2021, the Respondent may be charged the revised bills for the period from August 2020 to January 2021 on DEF-EST code due to a defective meter.
8. In view of what has been stated above, it is concluded that:
- 8.1 The detection bill of Rs.513,196.96/- against 21,212 units for six (06) months for the period from August 2020 to January 2021 is unjustified and the same is cancelled.
- 8.2 Similarly, the determination of the POI for revision of the detection bill @ 2,341 units per month for the disputed period on the basis of the average consumption of the last eleven months is inconsistent with Clause 4.3.1(b) of the CSM-2021 and the same is set aside to this extent.
- 8.3 The Respondent may be charged the bills for the period from August 2020 to January 2021 as per consumption of the corresponding month of the previous year or the average consumption of the last eleven months, whichever is higher, pursuant to Clause 4.3.1(b) of the CSM-2021.
- 8.4 The billing account of the Respondent may be overhauled after making adjustments of payment made against the above detection bill.
9. The impugned decision is modified in the above terms.

Abid Hussain
Member/Advisor (CAD)

Naweed Illahi Sheikh
Convener/DG (CAD)

Muhammad Irfan-ul-Haq
Member/ALA (Lic.)

Dated: 11-04-2025

